

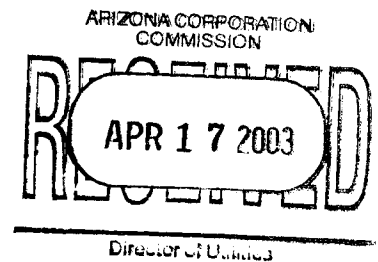
ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

B

W-02089A
Bradshaw Mountain View Water Company
P. O. Box 20939
Sedona AZ 863410939

ANNUAL REPORT



FOR YEAR ENDING

12	31	2002
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*Entered
4/25/03
Cm*

FOR COMMISSION USE

ANN 04	02
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OK

COMPANY INFORMATION

Company Name (Business Name) **Kyllo Development dba Bradshaw Mountainview Water**

Mailing Address **PO Box 20939**

Sedona

(Street)

AZ

(State)

86341

(Zip)

928-284-1719

Telephone No. (Include Area Code)

928-284-1719

Fax No. (Include Area Code)

928-301-3723

Pager/Cell No. (Include Area Code)

Email Address **kyllo@unetus.com**

Local Office Mailing Address **Same as above**

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address

MANAGEMENT INFORMATION

Management Contact: **Tim Kyllo**

(Name)

Pres

(Title)

PO Box 20939

(Street)

Sedona

(City)

AZ

(State)

86341

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address **kyllo@unetus.com**

On Site Manager: **Tim Kyllo**

(Name)

same as above

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address

Statutory Agent: Tim Kylo

(Name)

Same

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Raoul Jacques

(Name)

40 E Virginia

Phoenix

Arizona

85004

(Street)

(City)

(State)

(Zip)

602-263-5771

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

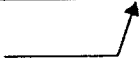
☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	10,271	10,271	0
302	Franchises			
303	Land and Land Rights	5,500	0	5,500
304	Structures and Improvements	14,205	10,403	3,801
307	Wells and Springs	35,038	20,800	14,247
311	Pumping Equipment	42,698	29,411	13,286
320	Water Treatment Equipment	1,735	1,039	695
330	Distribution Reservoirs and Standpipes	34,148	18,006	16,141
331	Transmission and Distribution Mains	163,552	163,552	0
333	Services	100,836	37,930	62,905
334	Meters and Meter Installations	44,850	26,338	18,511
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1,600	930	670
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	454,443	318,684	135,759

This amount goes on the Balance Sheet Acct. No. 108 

COMPANY NAME

Bradshaw Mountainview Water Co.**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	10,271	5%	
302	Franchises			
303	Land and Land Rights	5,500		
304	Structures and Improvements	14,205		710
307	Wells and Springs	35,038		1,752
311	Pumping Equipment	42,698		2,135
320	Water Treatment Equipment	1,735		87
330	Distribution Reservoirs and Standpipes	34,148		1,707
331	Transmission and Distribution Mains	163,552		
333	Services	100,836		5,042
334	Meters and Meter Installations	44,850		2,242
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1,600		80
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	454,443		13,756

This amount goes on Comparative Statement of Income and Expense
Acct. No. 403.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 1,313	\$ (4,046)
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 1,313	\$ (4,046)
	FIXED ASSETS		
101	Utility Plant in Service	\$ 414,906	\$ 454,443
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	304,928	318,684
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 109,976	\$ 135,759
	TOTAL ASSETS	\$ 111,289	\$ 131,713

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 30,206	\$ -0-
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	11,546	5,357
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 41,752	\$ 5,357
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 166,724	\$ 158,767
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction meter fees	21,886	17,860
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 21,886	\$ 17,860
	TOTAL LIABILITIES	\$	\$
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(119,073)	(50,271)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$	\$
	TOTAL LIABILITIES AND CAPITAL	\$ 111,289	\$ 131,713

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 163,969	\$ 182,863
460	Unmetered Water Revenue		
474	Other Water Revenues	1,345	1,097
	TOTAL REVENUES	\$ 165,314	\$ 183,960
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	18,643	20,755
618	Chemicals	2,250	2,375
620	Repairs and Maintenance	16,785	23,400
621	Office Supplies and Expense	2,500	2,500
630	Outside Services	70,770	72,000
635	Water Testing	3,540	3,540
641	Rents	12,000	12,000
650	Transportation Expenses		
657	Insurance – General Liability	8,700	8,700
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1,200	1,200
403	Depreciation Expense	11,735	13,756
408	Taxes Other Than Income		
408.11	Property Taxes	7,762	8,760
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 159,254	\$ 168,986
	OPERATING INCOME/(LOSS)	\$ 6,060	\$ 14,974
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	11,225	10,498
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ (5,165)	\$ 4,476

COMPANY NAME **Bradshaw Mountainview Water Co.**

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1/1/86			
Source of Loan	Sp valley dev			
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$ 223,000	\$	\$	\$
Amount Outstanding	\$ 158,767	\$	\$	\$
Date of Maturity	2016			
Interest Rate	7%			
Current Year Interest	\$ 10,460	\$	\$	\$
Current Year Principle	\$ 7,540	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ **5,357**

Meter Deposits Refunded During the Test Year

\$ **1,222**

COMPANY NAME **Bradshaw Mountainview Water Co.**

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-610558	10	200				
55-610557	5	60				
55-610556	7.5	300				

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
20	1	6	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
125,000			
65,000			

COMPANY NAME **Bradshaw Mountainview Water Co.**

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3	PVC	3,500
4	PVC	11,500
5		
6	PVC	42,768
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	369
3/4	128
1	
1 1/2	2
2	6
Comp. 3	1
Turbo 3	1
Comp. 4	1
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT: **Liquid injection chlorinator**

STRUCTURES: **Fenced Lots and small pump houses**

OTHER:

COMPANY NAME: **Bradshaw Mountainview Water Co.**

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	495	2,320,079	2,621
FEBRUARY	498	2,712,993	3,119
MARCH	496	2,375,660	2,732
APRIL	494	2,946,945	3,330
MAY	503	3,589,556	4,056
JUNE	514	5,150,638	5,820
JULY	506	5,037,326	5,792
AUGUST	506	4,656,090	5,354
SEPTEMBER	509	6,064,456	6,852
OCTOBER	514	3,910,345	4,418
NOVEMBER	513	3,717,289	4,274
DECEMBER	508	2,689,780	3,039
TOTAL		N/A	

45171157 ^{cm}

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (x) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (x) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. ~~7.01~~ 7.01 mg/l

(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Bradshaw Mountainview Water Co. YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ 8,760

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME Bradshaw Mountainview Water Co.

YEAR ENDING 12/31/2002

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>n/a</u>
Estimated or Actual Federal Tax Liability	<u></u>
State Taxable Income Reported	<u></u>
Estimated or Actual State Tax Liability	<u></u>
Amount of Grossed-Up Contributions/Advances:	
Amount of Contributions/Advances	<u>-0-</u>
Amount of Gross-Up Tax Collected	<u></u>
Total Grossed-Up Contributions/Advances	<u></u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

DATE

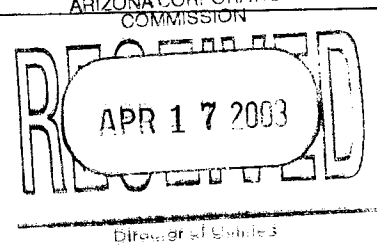
Timothy L. Kylo

President

PRINTED NAME

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**



VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Yavapai
NAME (OWNER OR OFFICIAL) TITLE Timothy L. Kylo, Pres
COMPANY NAME Kylo Development Corp. dba Bradshaw Mountain View

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 195,701.63

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 11,741.54
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
928-284-1719
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

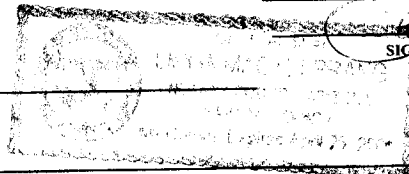
14th

DAY OF

COUNTY NAME Yavapai
MONTH April
YEAR 2003

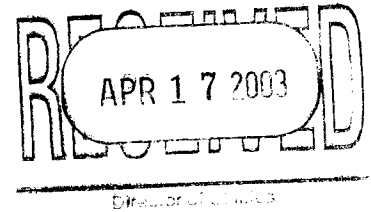
(SEAL)

MY COMMISSION EXPIRES _____



SIGNATURE OF NOTARY PUBLIC


**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

**VERIFICATION**

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) **Yavapai County**NAME (OWNER OR OFFICIAL)
Timothy L KyloTITLE
PresidentCOMPANY NAME
Kylo Development Corp. dba Bradshaw Mountainview Water

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ **175,233.20**

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ **10,512.23**
IN SALES TAXES BILLED, OR COLLECTED

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

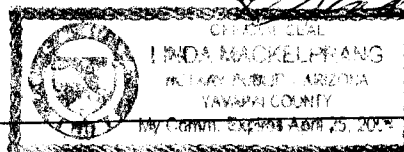
14th

DAY OF

NOTARY PUBLIC NAME Linda Mackelprang	
COUNTY NAME Yavapai	
MONTH April	YEAR 2003

(SEAL)

MY COMMISSION EXPIRES



SIGNATURE OF NOTARY PUBLIC

Yavapai County Treasurer

Ross D. Jacobs
Treasurer

1015 Fair Street
Prescott, Arizona 86305
www.co.yavapai.az.us
Prescott(928)771-3233
Cottonwood(928)639-8123
Fax (928)771-3390

Charles Messing
Chief Deputy

Pg: 1

TAX RECEIPT

JAN 14 2003

Paid by: HUMBOLDT WATER SYSTEMS INC
KYLLO DEVELOPMENT

PO BOX 20939
SEDONA, AZ 86341

CNTR BATCH:

1091454

Payment Date:

1/14/2003

Interest Date:

1/13/2003

Printed by:

C06212

Property I.D.		Amount	CHECK NUMBER:--	2659&1718
903-24-39007	2002 TAXES	4,380.01		
	TOTL	4,380.01 *		
	TOTL	4,380.01 *		
912-82-24009	2002 TAXES	2,214.96		
	TOTL	2,214.96 *		
	TOTL	2,214.96 *		
912-82-29004	2002 TAXES	102.78		
	TOTL	102.78 *		
	TOTAL PAID	6,697.75		